

Listing of Claims:

This listing of claims reflects the claims that are currently pending in the application:

1. (currently amended) A method for determining the comparability of at least two bonds, wherein said method is implemented with a computer system comprising one or more computer processors, said method comprising the steps of:

identifying ~~with~~ by one of said one or more computer processors a plurality of factors associated with said at least two bonds;

determining ~~with~~ by one of said one or more computer processors a value for each of said plurality of factors for each of said at least two bonds;

forming ~~with~~ by one of said one or more computer processors a covariance matrix, said covariance matrix including a weighting factor for each of said plurality of factors wherein each of said weighting factors relates to an amount of market activity attributed to said corresponding one of said plurality of factors; and

determining ~~with~~ by one of said one or more computer processors the comparability of said at least two bonds ~~based on said values for each of said at least two bonds and said covariance matrix~~ based on at least one of the following:

(a)

$$\frac{\mathbf{f}_1' \Omega \mathbf{f}_2}{\sqrt{\mathbf{f}_1' \Omega \mathbf{f}_1 \mathbf{f}_2' \Omega \mathbf{f}_2}} \quad ; \text{ or}$$

(b)

$$\frac{(\mathbf{f}_1 - \mathbf{f}_2)' \Omega (\mathbf{f}_1 - \mathbf{f}_2) + \sigma^2(\varepsilon)}{\quad} ;$$

wherein f_1 are the values for said plurality of factors for a first of said at least two bonds, f_2 are the values for said plurality of factors for a second of said at least two bonds and Ω is said covariance matrix.

2. (original) The method of claim 1, wherein said values for said plurality of factors for each of said at least two bonds relate to sector information, bond rating information, a duration and a time to maturity.
3. (original) The method of claim 2, wherein said values relate to an issuer country, a put schedule, a call schedule, a sinking fund schedule, a coupon rate and an asset swap spread.
4. (original) The method of claim 1, wherein said market activity are price changes in the market for a previous period of time.
5. (original) The method of claim 4, wherein said period of time is in the range of one week to 1 year.
6. (cancel)
7. (cancel)
8. (original) The method of claim 1, further comprising the step of:

tuning said covariance matrix by adjusting said weighting factor for at least one of said plurality of factors.

9. (currently amended) A method for determining the comparability between a primary bond and each bond in a list of bonds, wherein said method is implemented with a computer system comprising one or more computer processors, said method comprising the steps of:

identifying ~~with~~ by one of said one or more computer processors a plurality of factors associated with said each bonds;

determining ~~with~~ by one of said one or more computer processors a value for each of said plurality of factors for said primary bond and for said each bond in said list of bonds;

forming ~~with~~ by one of said one or more computer processors a covariance matrix, said covariance matrix including a weighting factor for each of said plurality of factors wherein each of said weighting factors relates to an amount of market activity attributed to said corresponding one of said plurality of factors; ~~and~~

determining ~~with~~ by one of said one or more computer processors the comparability between said primary bond and a candidate bond selected from said each bond in said list of bonds based on said values for said primary bond, said values for said each bond in said list of bonds and said covariance matrix based on at least one of the following:

(a)

$$\frac{\mathbf{f}_p' \Omega \mathbf{f}_c}{\sqrt{\mathbf{f}_p' \Omega \mathbf{f}_p \mathbf{f}_c' \Omega \mathbf{f}_c}} \quad ; \text{ or}$$

(b)

$$\frac{(\mathbf{f}_p - \mathbf{f}_c)' \Omega (\mathbf{f}_p - \mathbf{f}_c)}{+ \sigma^2(\varepsilon)};$$

wherein \mathbf{f}_p are the values for said plurality of factors for said primary bond, \mathbf{f}_c are the values for said plurality of factors for said candidate bond and Ω is said covariance matrix; and determining whether all the bonds in the list have been compared to the primary bond.

10. (currently amended) The method of claim 9, further comprising the step of:

ordering each bond in said list of bonds ~~according to~~ based on the comparability of each bond in said list of bonds to said primary bond.

11. (currently amended) A method for determining the comparability between a portfolio of bonds and an index of bonds, wherein said method is implemented with a computer system comprising one or more computer processors, said method comprising the steps of:

identifying ~~with~~ by one of said one or more computer processors a plurality of factors associated with said portfolio of bonds and said index of bonds;

determining ~~with~~ by one of said one or more computer processors a value for each of said plurality of factors for said portfolio of bonds

determining ~~with~~ by one of said one or more computer processors a value for each of said plurality of factors for said index of bonds;

forming ~~with~~ by one of said one or more computer processors a covariance matrix, said covariance matrix including a weighting factor for each of said plurality of factors wherein each of

said weighting factors relates to an amount of market activity attributed to said corresponding one of said plurality of factors; and

determining ~~with~~ by one of said one or more computer processors the comparability between said portfolio of bonds and said index of bonds ~~based on said values for said portfolio of bonds, said values for index of bonds and said covariance matrix~~ by selecting a subset of bonds of said portfolio of bonds and by determining a tracking error between said subset of bonds and said index.

12. (currently amended) Computer executable program code residing on a computer-readable storage medium, the program code comprising instructions that when executed cause the computer to:

~~determine the comparability of at least two bonds;~~

identify a plurality of factors associated with said at least two bonds;

determine a value for each of said plurality of factors for each of said at least two bonds;

form a covariance matrix, said covariance matrix including a weighting factor for each of said plurality of factors wherein each of said weighting factors relates to an amount of market activity attributed to said corresponding one of said plurality of factors;

~~determine the comparability between said at least two bonds based on said values for each of said at least two bonds and said covariance matrix~~ based on at least one of the following:

(a)

$$\frac{\mathbf{f}_1' \Omega \mathbf{f}_2}{\sqrt{\mathbf{f}_1' \Omega \mathbf{f}_1 \mathbf{f}_2' \Omega \mathbf{f}_2}} \quad ; \text{ or}$$

(b)

$$\frac{(\mathbf{f}_1 - \mathbf{f}_2)' \Omega (\mathbf{f}_1 - \mathbf{f}_2) + \sigma^2(\varepsilon)}{\quad};$$

wherein \mathbf{f}_1 are the values for said plurality of factors for a first of said at least two bonds, \mathbf{f}_2 are the values for said plurality of factors for a second of said at least two bonds and Ω is said covariance matrix.

13. (original) The computer executable program code of claim 12, wherein said values for said plurality of factors for each of said at least two bonds relate to sector information, bond rating information, a duration and a time to maturity.

14. (original) The computer executable program code of claim 13, wherein said values relate to an issuer country, a put schedule, a call schedule, a sinking fund scheduler, a coupon rate and an asset swap spread.

15. (original) The computer executable program code of claim 12, wherein said market activity are price changes in the market for a period of time

16. (original) The method of claim 15, wherein said period of time is in the range of one week to 1 year.

17. (cancel)

18. (cancel)

19. (original) The computer executable program of claim 12 wherein the program code additionally causes the computer to:

tune said covariance matrix by adjusting said weighting factor for at least one of said plurality of factors.

20. (currently amended) A programmed computer system for determining the comparability between at least two bonds, comprising:

a factor vector generator for identifying a plurality of factors associated with said at least two bonds and determining a value for each of said plurality of factors for each of said at least two bonds;

a covariance matrix generator for forming a covariance matrix, said covariance matrix including a weighting factor for each of said plurality of factors wherein each of said weighting factors relates to an amount of market activity attributed to said corresponding one of said plurality of factors;

a comparability calculator, said comparability calculator receiving from said factor vector generator said values for each of said plurality of factors for each of said at least two bonds, said comparability generator receiving said covariance matrix from said covariance matrix generator, said comparability generator determining the comparability of said at least two bonds ~~based on said values for each of said at least two bonds and said covariance matrix~~ based on at least one of the following:

(a)

$$\frac{\mathbf{f}_1' \Omega \mathbf{f}_2}{\sqrt{\mathbf{f}_1' \Omega \mathbf{f}_1 \mathbf{f}_2' \Omega \mathbf{f}_2}} \quad ; \text{ or}$$

(b)

$$\frac{(\mathbf{f}_1 - \mathbf{f}_2)' \Omega (\mathbf{f}_1 - \mathbf{f}_2) + \sigma^2(\varepsilon)}{\quad} ;$$

wherein \mathbf{f}_1 are the values for said plurality of factors for a first of said at least two bonds, \mathbf{f}_2 are the values for said plurality of factors for a second of said at least two bonds and Ω is said covariance matrix.

21. (original) The system of claim 20 wherein said values for each of said at least two bonds relate to sector information, bond rating information, a duration and a time to maturity.

22. (original) The system of claim 21 wherein said values relate to an issuer country, a put schedule, a call schedule, a sinking fund schedule, a coupon rate and an asset swap spread.

23. (original) The system of claim 20, wherein said market activity are price changes in the market for a period of time.

24. (original) The method of claim 23, wherein said period of time is in the range of one week to 1 year.

25. (cancel)

26. (cancel)

27. (original) The system of claim 20, wherein said covariance matrix is tuned by adjusting said weighting factor for at least one of said plurality of factors.

28. (original) The system of claim 20, wherein said factor vector generator identifies said a plurality of factors and determines said value for each of said plurality of factors for each of said at least two bonds based on market information.

29. (original) The system of claim 20, wherein said covariance matrix generator forms said covariance matrix based on market information.

30. (original) The system of claim 20, wherein said comparability calculator executes on a computer system and further comprising an access device in communications with said computer system for issuing a comparability request to said comparability generator.

31. (currently amended) A method for determining the comparability between at least two instruments, wherein said method is implemented with a computer system comprising one or more computer processors, said method comprising the steps of:

identifying ~~with~~ by one of said one or more computer processors a plurality of factors associated with said at least two instruments;

determining ~~with~~ by one of said one or more computer processors a value for each of said plurality of factors for each of said at least two instruments;

forming ~~with~~ by one of said one or more computer processors a covariance matrix, said covariance matrix including a weighting factor for each of said plurality of factors wherein each of said weighting factors relates to an amount of market activity attributed to said corresponding one of said plurality of factors; and

determining ~~with~~ by one of said one or more computer processors the comparability of said at least two instruments ~~based on said values for each of said at least two instruments and said covariance matrix based on at least one of the following:~~

(a)

$$\frac{\mathbf{f}_1' \Omega \mathbf{f}_2}{\sqrt{\mathbf{f}_1' \Omega \mathbf{f}_1 \mathbf{f}_2' \Omega \mathbf{f}_2}} \quad ; \text{ or}$$

(b)

$$\frac{(\mathbf{f}_1 - \mathbf{f}_2)' \Omega (\mathbf{f}_1 - \mathbf{f}_2) + \sigma^2(\varepsilon)}{\quad} ;$$

wherein \mathbf{f}_1 are the values for said plurality of factors for a first of said at least two instruments, \mathbf{f}_2 are the values for said plurality of factors for a second of said at least two instruments and Ω is said covariance matrix.

32. (original) The method of claim 31, wherein said instruments are equities and said values for said plurality of factors for each of said at least two instruments relate to sector information, volatility, profitability measures, market capitalization and price-to-earnings ratio.

33. (original) The method of claim 31, wherein said market activity are price changes in the market for a previous period of time.

34. (original) The method of claim 33, wherein said period of time is in the range of one week to 1 year.

35. (cancel)

36. (cancel)

37. (original) The method of claim 31, further comprising the step of:
tuning said covariance matrix by adjusting said weighting factor for at least one of said plurality of factors.